

# SELF HELP GROUP'S RURAL WOMEN EMPOWERMENT AND SATISFACTION THROUGH MICRO CREDIT IN KRISHNAGIRI DISTRICT

P.K.Malarvizhi, M.Com.,M.Phil.,M.B.A.,

Assistant Professor

Department of Commerce

Dr.S.Gopalaraju Govt. First Grade College, Anekal, Bengalore.

**ABSTRACT:** Rural women play vital role in accomplishing the transformational, financial, conservational and social changes required for sustainable growth. Restriction on access to credit, poor health care management and literacy rate are the difficulties they face. Women empowerment is the key not only to the welfare of individual members of the family and rural communities, but also to overall economic growth of the nation. Half of the world's population is represented by women and until they are given the equal opportunities society cannot attain growth. Government, society and non – governmental organisations (NGOs) around the world come forward and take essential steps to empower women and give them the equal rights in financial and non-financial development. Therefore, this is the ideal time to shift from welfare mode to empowerment mode in governmental policies designed for the progression of women. To empower women, continuous efforts taken by Indian government and National Bank for Agricultural and Rural Development (NABARD) through microfinance raised the standard of living of poor women and their kin above poverty line to some extent. Apart from these issues, the challenges involved are discrimination, unsustainable development practices, climate change, and violence against women. Therefore, the initiatives should focus on the above said issues faced by women. In this way, this paper is analysed with self help group's rural women empowerment and satisfaction through micro credit in Krishnagiri District

**Keywords:** SHGs, NABARD, Rural Women Empowerment, Credit System, Economic Growth

## INTRODUCTION

Self-Help Groups (SHGs) are innovative organizational setup in India to uplift women, to provide economic freedom and welfare. All women in India are given chance to join any one of SHGs for and they can be a potential entrepreneur and skilled worker. India has around 2.5 million self-help groups operating in rural areas. 8-10 women join together and work as a group in remote areas of the country. A registered or unregistered SHG comprises a group of micro entrepreneurs partaking homogeneous social and financial backgrounds, all voluntarily joining together to agreeing to contribute to a common fund and to meet their needs. Members of the group accumulate available resources to become financially stable, taking loans from banks and make everybody in that group self-employed. Rural women entrepreneurs can avail loan under National Rural Livelihood Mission (NRLM) scheme up to Rs. 3 lakhs from banks at the rate of 7 per cent interest per annum and they also get further subsidy of 3 per cent interest of timely repayment. There has been an inspiring growth of microfinance activities in India over the past decade majorly contributed by Self Help Group (SHG) Bank Linkage programs that originated in the 1980s. SHGs are linked with banks in availing loans. The Self Help Group (SHG) Bank Linkage Programme (SBLP) was formally launched in the year 1992 by National Bank for Agriculture Research and Development (NABARD) and supported by the Reserve Bank of India (RBI).

## Microcredit in India

Micro-financing is supported by self- help groups with minimum procedures at their door steps. It also enables people to be sensible about their expenditure, income and saving pattern and helps them in improving their standard of living. Microfinance organisations use a group structure to dispense their loan to their clients. This structure for micro financial services evolved particularly in Latin America, India and Bangladesh and NABARD made it popular in India. Thus there are many alternatives of using group for financial intermediation. Self Help Groups are savings and credit groups and accessibility of loans from banks which helps them to meet their credit needs of income generation through self-employment.

This study focuses on the role of microcredit through self-help groups in rural women empowerment and satisfaction. The study tries to understand the satisfaction level of rural women entrepreneurs in utilizing the benefits of micro credit. Some of the women entrepreneurs join self-help groups based on various interests, therefore their interests towards joining SHG is also focused. Role of SHG, perception of rural women entrepreneurs on micro credit is studied.

## STATEMENT OF THE PROBLEM

Microcredit is considered as an effective tool to eliminate poverty and to empower rural women. Microcredit is used as a tool to eliminate poverty, improve the health & hygiene, to provide education, gender equality and balanced socio-economic environment. Experience regarding micro-crediting across India and other countries has shown a potential to the overall development and significant impact in improving the lives of poor. Rural poor women were neglected by the Indian society before the policies were made on empower of women. Low productivity, low income, low savings, low investments, poverty, unequal treatment are the results of negligence of empowerment of women. Self-help groups, micro credits schemes have reduced the severity of the problems in rural areas. Some of the previous studies have indicated

that Self-help groups, micro credits schemes are not effective up to the expectations due to limitations viz. lack of awareness and knowledge among SHGs members about choice of business, lack of capital, high inter estates, lack of education, lack of independency, lack of support from family members etc.

### OBJECTIVES OF THE STUDY

1. To know the overview of conceptual background of self help groups in India.
2. To analysis the opinion of women entrepreneurs on micro credit offered by self- help groups in krishnagriri district.
3. To study the impact of self- help groups in women empowerment in krishnagriri district.

### RESEARCH METHODOLOGY

Research methodology is step by step method of solving the research issues. Research methodology is considered as a science to understand how research is done analytically.

#### Research Design

A research design is a planning of conditions for collection and analysis of data in a way which aims to combine relevance to the research purpose. It refers to the overall structure and orientation of an investigation.

#### Sampling Techniques

Sampling details are given in this section. 524 women as respondents were chosen as sample from all the taluks of Krishnagiri district chosen randomly. Convenient random sampling was used to collect the data from the respondents. To the extent possible the respondents personally met to conduct interviews and their responses were

#### Source of Data

Primary data were collected from self help group's rural women entrepreneurs of Krishnagiri district. Since the study is analytical and descriptive in nature that demands field survey technique, therefore both primary and secondary data have been collected using field survey method. The secondary data for this study was collected from both print and electronic media, books, journals, magazines, reports used to collect the secondary data relevant to the study.

#### Sample Size Determination

The sample size for this study is determined by using the scientific method, by using the pilot study standard deviation of the sample of 60 respondents, by allowing the standard error at 5% level. The sample size was determined by using the following formula

$$\text{Sample Size (N)} = (ZS/E)^2$$

### HYPOTHESIS OF THE STUDY

The following are the set of hypotheses considered for the study to understand the satisfaction and empowerment of women entrepreneurs of Krishnagiri district. In each set of hypothesis, respondents' personal factors like age, marital status, educational qualification, etc. were compared with satisfaction level in utilizing micro credit. The results of the hypotheses were tabulated in Analysis chapter of the research report.

There is no significant relationship between demographic factors and level of satisfaction perceived in utilizing the micro credit. The demographic factors considered are Age Marital status, Educational qualification Community, Occupation Family Size Family type, Monthly income Residential area and residential status, Experience and Source of joining in SHG.

### SCOPE OF THE STUDY

The study involved the entrepreneurs residing five taluks of Krishnagiri district. Self-help groups are contributing a lot in carrying the micro credit facility to the rural women who are in need of loans. Women empowerment is very important in the process of the development of the socio economic status of the women community. Government has taken sufficient steps to develop the women and to empower them economically.

### REVIEW OF LITERATURE

This chapter critical summarizes the published and unpublished research literature relevant to women empowerment, elf-help groups and micro credits. Previous studies related the research problem considered were reviewed and to a summary of the current state of knowledge in the area of investigation was provided. Aspects such as what research gaps exist and how the present study is an attempt to fill in that gap are highlighted. Reviews related to women empowerment, micro-finance and self-help group are categorized into three sections and presented.

**Margaret et al. (2017)** focused that self- help groups enable women, particularly poor women to progress their lives. SHG acts as a platform for the rural women to interact with each other, bringing resources together, assembling the savings, and undertaking livelihood by taking part small businesses.

**Brainz (2016)** concluded that scarcity of funds usually lasts for few phases due to many peripheral aspects like conservational adversities, divorce, or some health problems. A small level of support can benefit people to remove poverty and come out of their present situation. In this circumstances of life earnings from an allowance or life insurance scheme can play a significant role to overcome poverty and other economic inconsistencies by the rural poor women.

**Vinodhini and Vaijyanthi (2016)** concentrated on endorsing the financial and social empowerment status of women associated with various self-help groups. The author defined Self-Help Group as a village-based economic intermediate agency generally composed of ten to twenty local women or men. Several SHGs are connected with banks for the disbursement of micro-credit in India.

**Vipin Kumar (2016)** explains that women empowerment. Rapid changes are happening in the economic development of the nation, studies should concentrate how it is influencing women empowerment. Hence, more number of studies is conducted at micro level; importance should be given to understand the policy issues and its impact on women empowerment.

**Balakrishnan (2015)** framed that micro credit initiatives has often been attributed to their particular focus on empowering women and encouraging their self-reliance through developing their own means of income. Various case studies show that there is a positive correlation between credit availability and women's empowerment. Many evaluations of MFIs have shown that microfinance services have a positive impact on women.

**Gundappa (2014)** indicated that microfinance is a funding service that is delivered to unemployed or low-income members or groups to gain financial services. Micro finance distributed through self-help group has been documented as the effective tool to fight poverty and improve development. Both micro-finance and self-help group are effective in reducing poverty, empowering women and creating awareness which lastly results in sustainable development of the nation.

## RESEARCH GAP

Through the literature reviewed, it is confirmed that microfinance has no doubt played a major role in women empowerment, women, poverty alleviation and improving the social status of women. Self-help groups have also recognized as feasible platform to achieve comprehensive development through microfinance. Even though many studies are conducted on micro finance, SHG and women empowerment, in many areas women have not reached a stage of equality. This study conducted in Krishnagiri district have included many aspects which are not earlier researched. The following are the gaps identified in the previous research studies and it has been incorporated in this study conducted on women empowerment.

**TABLE No.: 1**  
**AGE AND LEVEL OF SATISFACTION OF WOMEN MEMBERS IN SHG BY UTILISING MICRO CREDIT**

Sl. No.	Age	No. of Respondents	%	Average	Range		S.D
					Min	Max	
1	Below 30	275	52.5%	40.27	22	59	10.155
2	30 – 40	125	23.9%	40.42	24	56	8.660
3	Above 40	124	23.7%	39.63	26	54	9.480
	Total	524	100.0%				

Source: Primary Data

**Table No.: 1** It is understood from the above table that the level of satisfaction perceived in utilizing the micro credit among the respondents of below 30 years' age group ranged between 22 and 59 with an average of 40.27. The level of satisfaction perceived in utilizing the micro credit among the respondents of 30 – 40 years' age group ranged between 24 and 56 with an average of 40.42. On the other hand, the level of satisfaction perceived in utilizing the micro credit among the respondents of above 40 years' age group ranged between 26 and 54 with an average of 39.63. From the analysis, it is inferred that the respondents of 30-40 years' age group have perceived maximum level of satisfaction in utilizing the micro credit.

**TABLE No.: 2**  
**AGE AND LEVEL OF SATISFACTION OF WOMEN MEMBERS IN SHG BY UTILISING MICRO CREDIT (CHI-SQUARE TEST)**

Factor	Calculated $\chi^2$ Value	Table value	D.F	Remarks
Age	17.931	13.277	4	Significant at 1% level

Source: Primary Data

**Table No.: 2** it is understood from the above table that the calculated chi-square value is greater than the table value and the result is significant at 1% level. Hence, the null hypothesis ( $H_0$ ) is rejected and the alternative hypothesis ( $H_1$ ) is accepted. The hypothesis, "Age of the respondents and their level of satisfaction perceived in utilizing the micro credit" are associated, holds good. From the analysis, it is concluded that there is a close relationship between age of the respondents and their level of satisfaction perceived in utilizing the micro credit.

**TABLE No.: 3**  
**EDUCATIONAL QUALIFICATION AND LEVEL OF SATISFACTION OF WOMEN MEMBERS IN SHG BY UTILISING MICRO CREDIT (TWO-WAY TABLE)**

S. No.	Educational Qualification	Level of Satisfaction			Total
		Low	Medium	High	
1	Illiterate	6 (4.0%)	8 (3.8%)	5 (3.1%)	19 (3.6%)
2	School level	40 (26.5%)	53 (25.1%)	21 (13.0%)	114 (21.8%)
3	Graduate	72 (47.7%)	88 (41.7%)	100 (61.7%)	260 (49.6%)
4	Professional	33	62	36	131

		(21.9%)	(29.4%)	(22.2%)	(25.0%)
	Total	151 (100.0%)	211 (100.0%)	162 (100.0%)	524 (100.0%)

Source: Primary Data

**Table No.: 3** it is found from the above table that the percentage of high level of satisfaction perceived in utilizing the micro credit was the highest (61.7%) among the respondents who belonged to graduate category and the same was the lowest (3.1%) among the illiterate respondents. The percentage of medium level of satisfaction perceived in utilizing the micro credit was the highest (41.7%) among the graduate respondents and the same was the lowest (3.8%) among the respondents of illiterate category. On the other hand, the percentage of low level of satisfaction perceived in utilizing the micro credit was the highest (47.7%) among the graduate respondents and the same was the lowest (4.0%) among the respondents of illiterate category.

**TABLE No.: 4**  
**EDUCATIONAL QUALIFICATION AND LEVEL OF SATISFACTION OF WOMEN MEMBERS IN SHG BY UTILISING MICRO CREDIT (CHI – SQUARE TEST)**

Factor	Calculated $\chi^2$ Value	Table Value	D.F	Remarks
Educational Qualification	18.890	16.812	6	Significant at 1% level

Source: Primary Data

Table No.: 4 it is highlighted from the above table that the calculated chi-square value is greater than the table value and the result is significant at 1% level. Hence, the null hypothesis ( $H_0$ ) is rejected and the alternative hypothesis ( $H_1$ ) is accepted. The hypothesis, “Educational qualification of the respondents and level of satisfaction perceived in utilizing the micro credit” are associated, holds good. From the analysis, it is concluded that there is a close relationship between educational qualification of the respondents and the level of satisfaction perceived in utilizing the micro credit.

**TABLE No.: 5**  
**INFLUENCE OF SATISFACTION (MULTIPLE REGRESSION ANALYSIS)**

Variables	B	Std. Error	T	P
(Constant)	43.365	4.034	10.751	.000
Age	-.631	.570	-1.107	.269
Educational qualification	.973	.540	1.803	.072
Marital status	-.188	.962	-.195	.845
Community	-.330	.441	-.750	.454
Occupation	-.603	.351	-1.716	.087
Family size	-.780	.706	-1.105	.270
Family type	.913	.965	.946	.344
Monthly income	.470	.415	1.132	.258
Residential area	.869	.524	1.658	.098
Experience in SHG	-.045	.437	-.104	.917
Residential status	-2.772	.865	-3.205	.001
Suggested source	-.282	.411	-.687	.493

Source: Primary Data

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.228 <sup>a</sup>	.052	.030	9.500

Source: Primary Data

## ANOVA

	Sum of Squares	Do	Mean Square	F	Sig.
Regression	2540.079	12	211.673	2.346	.006 <sup>b</sup>
Residual	46114.400	511	90.243		
Total	48654.479	523			

Source: Primary Data

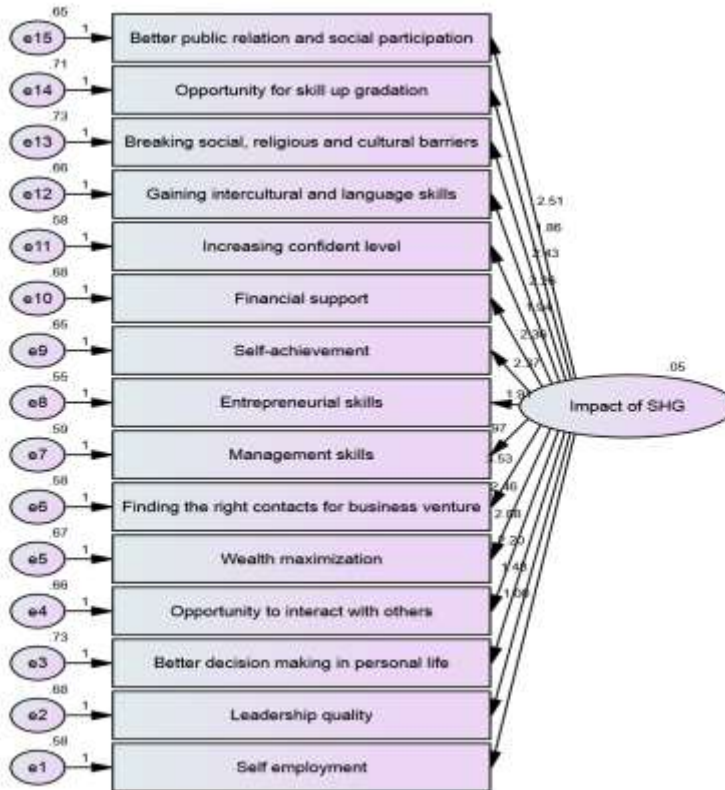
The Multiple linear regression components are found statistically a good fit. It shows the one independent variable contribute on the level of satisfaction perceived in utilizing the micro credit and statistically significant at 1% level.

The table No.:5 indicates that the co-efficient of respondent’ residential status was significant at 1% level. It also noted that the variables such as, educational qualification, family type, monthly income and residential area are positively associated with the level of satisfaction

perceived in utilizing the micro credit. Further, it indicates that these variables contribute to the level of satisfaction perceived in utilizing the micro credit are statistically significant and implying that their influence is stronger than the other variables.

The rate of increasing the level of satisfaction perceived in utilizing the micro credit shows better results of the independent variables such as respondents' educational qualification with 1.803, with 0.946 units change in family type, with 0.052 units change in monthly income and with 0.073 units change in residential area.

**FIGURE 1  
PATH OF IMPACT OF SHGS IN WOMEN EMPOWERMENT**



(Note: Chi-square = 307.600, Degrees of freedom = 90 and Probability level = .000)

In the above path diagram, the values attached to one-way arrows / directional effects are regression coefficients. The regression coefficients and correlations measure the strength of the relations between the variables. A regression coefficient of 2.51 for better public relation and social participation indicates a very strong relationship with the impact of SHG. A regression coefficient of 1.86 and 2.43 for opportunity for skill up gradation and breaking social, religious and cultural barriers indicates a strong relationship with the impact of SHG.

**TABLE No.: 6  
MODEL FIT INDICES OF IMPACT OF SHGs IN WOMEN EMPOWERMENT**

No.	TEST FACTOR	CALCULATED VALUE	ACCEPTABLE VALUE
1	GFI (Goodness-of-fit-index)	0.925	>=0.90 and above satisfactory fit 0.80 to <0.9 acceptable fit (Hair et al.2006)
2	AGFI(Adjusted goodness-of-fit-index)	0.900	
3	CFI(Comparative fit index)	0.864	
4	NFI (Normed fit index)	0.819	
5	TLI (Tucker-Lewis index)	0.841	
6	RMSEA (Root mean square error of approximation)	0.068	0.07 or less would indicate a close fit of the model

Source: Primary Data

The Table No. 6 indicates that the model fit indices of impact of SHGs in women empowerment. The Goodness of fit index (GFI) score is 0.925, adjusted goodness of fit index (AGFI) score is 0.900, comparative fit index (CFI) score is 0.864, normal fit index (NFI) score is 0.819, Trucker

Lewis index (TLI) score is 0.841. The root mean Squared Error of Approximation (RMSEA) secured 0.068 that indicates that the model is a close fit with a reasonable error of approximation. From the analysis, it is inferred all the variables on women empowerment are influenced by the impact of SHG.

**TABLE No.: 7**  
**REGRESSION WEIGHTS FOR IMPACT OF SHGS IN WOMEN EMPOWERMENT**

Measured Variable		Latent Variable	Estimate	S.E.	C.R.	P
Self-employment	<---	Impact of SHG	1.000			
Leadership quality	<---	Impact of SHG	1.482	.306	4.839	Significant at 1% level
Better decision making in personal life	<---	Impact of SHG	2.203	.412	5.343	Significant at 1% level
Opportunity to interact with others	<---	Impact of SHG	2.879	.513	5.616	Significant at 1% level
Wealth maximization	<---	Impact of SHG	2.457	.448	5.487	Significant at 1% level
Finding the right contacts for business venture	<---	Impact of SHG	3.526	.613	5.756	Significant at 1% level
Management skills	<---	Impact of SHG	.970	.233	4.162	Significant at 1% level
Entrepreneurial skills	<---	Impact of SHG	1.910	.358	5.336	Significant at 1% level
Self-achievement	<---	Impact of SHG	2.365	.432	5.468	Significant at 1% level
Financial support	<---	Impact of SHG	2.357	.433	5.445	Significant at 1% level
Increasing confident level	<---	Impact of SHG	1.945	.365	5.332	Significant at 1% level
Gaining intercultural and language skills	<---	Impact of SHG	2.259	.417	5.422	Significant at 1% level
Breaking social, religious and cultural barriers	<---	Impact of SHG	2.429	.447	5.440	Significant at 1% level
Opportunity for skill up gradation	<---	Impact of SHG	1.860	.361	5.153	Significant at 1% level
Better public relation and social participation	<---	Impact of SHG	2.507	.455	5.516	Significant at 1% level

Source: Primary Data

From this result as shown in table 7, it is noted that estimates of the coefficient of finding the right contacts for business venture is high followed by opportunity to interact with others and it indicates that both factors are highly influenced by the SHG. Further, the analysis indicated that all the variables are having positive relationship with the impact of SHG and significant at 1% level.

**TABLE No.: 8**  
**TESTING OF HYPOTHESES**

Hypotheses	Hypothetical Relationship	Result
H <sub>1</sub> : There is a significant relationship between self-employment and impact of SHGs in women empowerment.	Positive	Confirmed
H <sub>2</sub> : There is a significant relationship between leadership quality and impact of SHGs in women empowerment.	Positive	Confirmed
H <sub>3</sub> : There is a significant relationship between better decision making in personal life and impact of SHGs in women empowerment.	Positive	Confirmed

### TESTING OF HYPOTHESES

The following table represents the results of the testing of the hypotheses.

### FINDINGS

1. Age wise analysis shows that the respondents of 30-40 years' age group have perceived maximum level of satisfaction in utilizing the micro credit. Chi-square test also proved that there is a close relationship between age of the respondents and their level of satisfaction perceived in utilizing the micro credit.

2. It is identified that the respondents with college level education have perceived maximum level of satisfaction in utilizing the micro credit than the illiterates, school level and professional degree holders. Chi-square test also proved that there is a close relationship between educational qualification of the respondents and the level of satisfaction perceived in utilizing the micro credit.

3. Multiple regression analysis was done and identified that the level of satisfaction perceived in utilizing the micro credit is positively associated with the factors like educational qualification, family type, monthly income and residential area.

4. Structural Equation Modelling was implemented for the study. From the path diagram, the measured variables with latent variable of impact of SHG are having positive relationship and also significant at 1 percent level. The analysis of the model, from the viewpoint of the most influenced factors to SHG, suggests that the variables such self-employment, leadership quality, better decision making in personal life etc., are showing significant impact on the impact of SHGs.

## SUGGESTIONS

Micro credit plays a significant role in providing a small credit to the rural people in to relieve poverty through ensuring access of funds the poor. With the micro credit facility, a particular age group is satisfied. Efforts should be taken by the authorities to make the micro credit facilities to reach all the age group to satisfy them. Likewise, there are gaps in the satisfaction level of respondents in their demographic profile. The imbalances in their satisfaction level should be identified and eliminated to bring complete level of satisfaction. The banking organisations are expected to carry the funds allotted by the government to the rural area entrepreneurs especially women entrepreneurs without any discriminations. All the categories of entrepreneurs especially people who are unaware of financial backing should identify in spite of their age and experience in their respective field.

## CONCLUSION

Self help group's women empowerment through micro credit conducted in Krishnagiri district of Tamilnadu. There is increase in the number of women beneficiaries in SHG and there is considerable awareness among them and they understand the importance of participation which gives them a sense of belongingness. Self-help group has speared in rural areas and supported women in rural areas. Rural women entrepreneurs are economically independent after they started participated in self-help group. Their status in society is improving. They take of their family members and decisions on their own. Micro financing has achieved success through some extent. The self-help group and bank linkage scheme in Krishnagiri district has supported in improving the economy of the rural entrepreneurs. By this linkage the credit requisite of poor families for consumption, small business and other activities are being fulfilled. Therefore, self-help groups are playing an impressive role in achieving the long prised goal of poverty alleviation and rural development through their diversified programmes. SHGs were encouraged in savings and income generating activities and solve many social issues.

## REFERENCE

### Journal

1. Vinodhini and Vaijyanthi (2016), "Self-Help Group and Socio-Economic Empowerment of Women in Rural India", Indian Journal of Science and Technology, Vol 9(27), pp 1-5
2. Vipin Kumar Singhal (2016), "Empowerment of Women" (Review of Literature) (January 14, 2016). Book entitled: "Women Empowerment in India - Problems and Challenges" Author: Dr. Vipin Kumar Singhal ISBN: 978-93-80966-48-9. Publishers: Sunrise Publications, Laxmi Nagar, New Delhi Year: 2015. Available at SSRN: <https://ssrn.com/abstract=2715417>.
3. Brainz, 2016. Brainz. [Online] Available at: <http://brainz.org/what-situational-poverty/> [Accessed 19 05 2016].
4. Balakrishnan, L. (2015), Rural Energy Department, <http://www.vigyanprasar.gov.in/Radioserials/7>
5. Margaret Wawira Ndwiga , Florence Ondieki-Mwaura , Winifred Karugu (2017), "Self Help Group Support and Women Empowerment: Evidence from Beneficiaries of the Women Enterprise Fund (WEF) in Nairobi County, Kenya" International Journal Of Innovative Research & Development, Vol 6 Issue 3, pp 96-108
6. Gundappa, M. (2014), "Micro Finance and Empowerment of Women: An Impact Study of SHGs, Indian Streams Research Journal, Vol. 4 (8).

### Website

[www.wikipedia.org](http://www.wikipedia.org)